

PGG: Co-op must pay back a \$15 million term loan to CoBank

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with United Grain is the best possible outcome for growers and the community.

"Through the negotiated agreement, (United Grain) has voiced a commitment to maintaining crucial operations as well as investing in the long-term viability of grain facilities," Hawkins said in a statement.

For PGG, it's another step forward in dissolving the 86-year-old cooperative, which had been synonymous with the region's agriculture. Members voted to dissolve PGG on May 2 following a string of devastating financial losses that pointed to a crisis of confidence among growers.

In 2012, the U.S. Department of Agriculture suspended PGG's grain warehouse license for 44 days due to auditing discrepancies. The license was restored, but the co-op discovered it had overstated earnings in 2010 and 2011 by a combined \$7.5 million. The East Oregonian has requested public records from the Farm Service Agency pertaining to the case.

PGG lost another \$4.4 million in 2013 and \$7.9 million in 2014, according to financial records. Meanwhile, neighboring Morrow County Grain Growers posted a profit of \$321,315 last year, and Northwest Grain Growers in Walla Walla made \$4.4 million.

Jacobson said they were able to make some facility

upgrades, such as adding grain piles at the McNary Terminal, but it wasn't enough. Members "voted with their bushels," he said at the time, taking their business elsewhere.

United Grain will have the chance to make those assets profitable again, he said.

"They can be competitive, and have the financial muscle to do it," Jacobson said.

As for PGG, the co-op must pay back a \$15 million term loan to CoBank and will be on the hook for environmental liabilities from selling off its remaining divisions. Jacobson said he believes the other departments can be absorbed by outside businesses, similar to what has happened with grain. He said he is optimistic at least some equity will be returned to the co-op's 1,850 members, but it's too early to tell how much.

For now, he said the priority is on maintaining services for the farmers throughout the region.

"This has been a long and difficult struggle for a lot of these producers," Jacobson said. "This would probably be the best outcome we could have hoped for."

United Grain formed in 1969, and its Vancouver Export Terminal has a capacity for storing 8 million bushels of grain. For information on cash bids, visit www.ugcpnw.com.

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HOSPITAL: Harwood started in 1997

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year before. Geller said the downturn resulted in part because of a dispute with Blue Cross Blue Shield of Nebraska that left CHI's Nebraska BCBS patients out of network, meaning they had to pay more for health care or find another network. The tide is turning now that CHI and Blue Cross are back together, said Geller, but the going is slow.

"Volumes are coming back," he said. "It just takes time. These changes can't occur overnight."

He said other factors in the decline included rapid expansion, high information technology investments and a softening of admissions in other areas. Geller said the Northwest Division, of which St. Anthony is a part, is solid.

"We are the strongest," he said. "We are the linchpin."

He said patient volumes have stayed level in Pendleton, averaging 12 patients per day. Geller said all of CHI's hospitals and clinics are making cuts in staffing levels and working to increase efficiencies in purchasing, accounts receivable and other areas.

"It's all for one and one for all," he said. Geller attributed some of the belt-tightening to rapid growth. CHI doubled in size the past five years.

"That's been a big challenge, just integrating all these new players into a common culture, a common vision, a common strategy," he said.

Of St. Anthony's layoffs, Geller said "All these decisions—they were not made in haste. These are all good people. We've supported their transitions elsewhere. It's a difficult patch to get through."

Harwood said he is sad about leaving. He started in 1997 as the hospital's lone chaplain. Eventually, he reached out to the churches in town to start an on-call chaplaincy program with local ministers. In 2009, he became the director of Mission Services. In this position, Harwood continued chaplain duties and also looked for ways to improve community health.

He launched a county-wide community health assessment in 2011. He served in health-related groups such as Pendleton Community Health Partnership, Pendleton Transportation Committee, Umatilla County Behavioral Health Advisory Council, Greater Oregon Behavioral Health, Inc. Quality Advisory Committee, Oregon-Washington Health Network, Kickin' Cancer New Beginnings Board of Trustees and the local and regional advisory councils for the Eastern Oregon Coordinated Care Organization.

He'll miss the personal moments the most, however.

"It's been a privilege to walk with individuals and their families as they face the end of their lives," Harwood said. "That's such an honor."

He'll also miss community connections if it turns out he must move. Harwood, a long-distance runner, has coached the Sunridge Middle School cross-country team for 16 years. This year, 56 runners turned out for the team.

Though getting laid off is jarring, Harwood has come through much worse. He has struggled with cerebral palsy since birth, but decided to go out for cross-country at his South Dakota high school. His goal? Not to finish last. Eventually, he helped his team place in the top five at state for three years in a row. He has run seven marathons, though he can't wiggle the toes on his right foot and has to consciously tell his right leg to push off.

As a 19-year-old he survived the crash of a water truck he drove while on a construction crew. His face had 17 fractures. One of his eyes hung out of the socket. His mother didn't recognize him.

In comparison, a layoff isn't a tragedy. As Harwood looks for another job in his field, he leans on his faith.

"I have to remind myself, it's not about me," Harwood said. "It's about a bigger plan. It's what God wants to do. I trust that."

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SCHOOL: Board passed \$61.7M budget

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later, our public is going to be tapped out," he said.

Other board members said the district can hold conversations with the public about pursuing another bond if it gets the grant.

Ultimately, all the present board members voted to apply for the grant.

Before their regular meeting, the board unanimously passed a \$61.7 million budget with a \$34 million general fund.

Although Superintendent Jon Peterson described it as a "status quo" budget, he wrote that the district would continue to prioritize improving graduation rates, particularly those of Native American students and students with disabilities, continued enhancement of the career technical education program for grades 6-12, early childhood education and implementing the district's five-year strategic plan.

The school board also appointed officers, naming Debbie McBee chair and Lynn Lieuallen vice-chair.

Lastly, the school board thanked Peterson and Assistant Superintendent Tricia Mooney ahead of their departures at the end of the month.

Peterson is set to retire while Mooney took a similar position with the Hermiston School District.

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